



Department of Justice

Acting United States Attorney Lawrence G. Brown
Eastern District of California

FOR IMMEDIATE RELEASE

Wednesday, April 1, 2009

www.usdoj.gov/usao/cae

Docket #: 2:09-cr-149-FCD

CONTACT: Lauren Horwood

PHONE: 916-554-2706

usacae.edcapress@usdoj.gov

FEDERAL PRISONERS INDICTED FOR TAX SCAM

SACRAMENTO, Calif.—Acting United States Attorney Lawrence G. Brown announced today that a federal grand jury returned a two-count indictment charging JUAN DIEGO PAUCAR, 46, SCOTT EDWARD WHITNEY, 40, and ERIK TROY ALEXANDER, 41, all presently incarcerated at Herlong Federal Prison, with conspiracy to defraud the United States with respect to claims, and charging WHITNEY with filing a false claim.

This case is the product of an extensive investigation by the Internal Revenue Service, the Federal Bureau of Investigation, and the Bureau of Prisons at Herlong Federal Correctional Institution.

According to Assistant United States Attorney Samantha S. Spangler, who is prosecuting the case, the indictment alleges that the defendants were all inmates of Herlong Federal Prison in Lassen County, and the claims involved were tax returns for Tax Year 2006. The tax returns were made in the names of other inmates using the information of legitimate employers who did not employ the alleged taxpayers. Through this scheme, the defendants sought refunds from the IRS of more than \$93,000, although none of the refunds were paid.

The maximum statutory penalty for a violation of the conspiracy offense is 10 years in prison, while the maximum for the substantive offense is five years in prison. However, the actual sentence will be imposed at the discretion of the court after considering the Federal Sentencing Guidelines and the sentencing statute, which take into account a number of factors.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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